GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:694
ANSWERED ON:28.07.2006
ATF UNDER DECLARED GOODS CATEGORY
Saradgi Shri Iqbal Ahmed

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to shift Aviation Turbine Fuel to the 'declared goods' category;

(b) if so, whether the Government has also received any suggestion from the Ministry of Civil Aviation in this regard; and

(c) if so, the details thereof and the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (c): Aviation Turbine Fuel (ATF) sold to turbo-prop aircrafts was included in the list of Declared Goods under the Central Sales Tax Act, 1956 during the year 2001 with the objective of improving the financial viability of operation of such small aircrafts in the North Eastern and other remote areas of the country. Barring this, there is no proposal, at present, to include ATF in the list of Declared Goods. Further, it is added here that a proposal was earlier received from the Ministry of Civil Aviation to include the entire category of ATF in the list of Declared Goods. The proposal was examined and was not accepted in view of opposition from the States, since it would have resulted in substantial revenue losses to them.